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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 001575

SIPDIS

STATE FOR EAP/MTS

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SUBJECT: INFORMAL PEACE TALKS THIS WEEK; MUSLIM GROUP SEEKS

CONTINUED DEVELOPMENT ASSISTANCE

REF: MANILA 1568 (SUSPENSION OF MILITARY OPERATIONS AGAINST ROGUE MUSLIM REBELS)

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Classified By: Ambassador Kristie A. Kenney, reasons 1.4 (b) and (d).

11. (C) SUMMARY: Peace panel members from the Mindanao-based rebel group Moro Islamic Liberation Front (MILF) will meet their Philippine government counterparts in Kuala Lumpur this week -- the first full meeting of the two peace panels this year, a MILF panel member told the Ambassador July 27. The peace panel member, who said he was conveying an approved message from the MILF Chairman, expressed appreciation for continued U.S. support for Mindanao's internally displaced persons (IDP) and for the island's development. The MILF, he said, looked forward to additional U.S. assistance now that both the government (reftel) and the MILF had suspended military operations in central Mindanao. The Ambassador said that the U.S. stood ready to roll-out new programs or expand existing ones to support the safe return of IDPs and economic growth in Mindanao, a role the U.S. was still keenly interested in playing as both parties return to the negotiating table. The MILF, while not yet prepared to offer the U.S. a specific role in the peace process, nonetheless asked the Ambassador for a written clarification of the U.S. position on the Mindanao peace process and the role of the MILF. END SUMMARY.

PEACE PANELS TO MEET THIS WEEK IN MALAYSIA

12. (C) In a July 27 phone discussion with the Ambassador, Moro Islamic Liberation Front (MILF) peace panel member Michael Mastura -- conveying a message from MILF Chairman Murad Ebrahim -- said that the full MILF peace panel would travel to Kuala Lumpur this week for talks with their Philippine government counterparts starting July 29. The meetings are expected to address next steps on the path to restarting formal peace talks, including how to convert the government's suspension of military operations (reftel), and the MILF's follow-on reciprocal suspension July 25, into a more permanent ceasefire arrangement. Mastura hoped the Kuala Lumpur meetings would achieve documented outcomes that could help guide the process of resuming formal talks. Ambassador congratulated Mastura on the MILF's move to declare its own suspension of military operations, and expressed hope that both sides would have the courage to carry these recent motions through to a full-fledged ceasefire and renewed peace process. The U.S., the Ambassador emphasized, believes that peace is important, and wants to be helpful as both parties renew their commitment to peace talks.

13. (C) Mastura said that the MILF was looking forward to additional U.S. development assistance in Mindanao, particularly aid directed to hundreds of thousands of internally displaced persons (IDPs). Although some development projects were put on hold when fighting broke out in August 2008, the Ambassador noted that several programs were ready to be rolled out to support the recovery of IDPs, their health, and economic growth in their communities. Having visited IDP camps in central Mindanao, the Ambassador said she understood the importance of this assistance. USAID, she said, was poised to initiate new programs or expand existing ones, while the U.S. Joint Special Operations Task Force (JSOTF-P) would plan additional Civil-Military Operations (CMO) with its Philippine counterparts.

U.S. AID PROGRAMS READY TO MEET IDP NEEDS

14. (C) In addition to monitoring closely the safe return of IDPs to their homes, Mission Manila has four categories of programs ready for implementation in Mindanao. First, USAID plans to provide USD 220,000 in FY09 funds to Save the Children for clean water projects and livelihood opportunities, helping cash-poor and agriculture-dependent civilians generate income. Second, USAID will expand its provision of health counseling, immunizations, and maternity care to IDPs, and will mobilize 4,000 USAID-organized community volunteers throughout the Autonomous Region of Muslim Mindanao to assess the health needs of individual families and communities. Third, using Department of Defense 1210 funds, USAID will support the long-term economic growth of conflict-affected areas through the immediate initiation

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of two large road projects and 10 boat landings for MILF communities in the Liguasan Marsh, in addition to a seven-kilometer road through other communities in MILF areas. Finally, JSOTF-P in central Mindanao will plan CMOs in coordination with the Philippine military's East Mindanao Command to help IDPs return to their homes, in addition to continuing its existing CMO programs to build and improve roads, schools, clinics, and wells.

NO INVITATION FOR U.S. ROLE IN PEACE PROCESS -- YET

15. (C) While Mastura said that the MILF sought and appreciated U.S. development assistance for Mindanao, including assistance directed at MILF areas, he explicitly clarified to the Ambassador that the MILF was not yet extending a formal invitation for the U.S. to be involved in the peace process, because talks with the Philippine government had not yet sufficiently progressed. Another aspect of the MILF's reticence in this regard, Mastura explained, stemmed from the group's experience several years ago with the U.S. Institute of Peace, which did not have the authority to speak for the U.S. government. It was complicated and incongruous, Mastura said, for the MILF to be engaged on the peace process with the governments of countries such as Japan and Malaysia, while engaging with a non-state actor on the U.S. side. He expressed hope that, at some point in the future, there could be a role for the U.S. government in the actual peace process.

MILF SEEKS POLICY STATEMENT FROM NEW U.S. ADMINISTRATION

16. (C) The MILF leadership, Mastura indicated, had hoped for a written reply from President Obama to the group's letter dated November 21, 2008, which asked for U.S. support for the aspirations of Mindanao's Moros, or "Bangsamoros," as well as acknowledgment of their grievances. The MILF specifically sought an updated written statement explaining U.S. policy

toward the Philippines-MILF peace process -- but, until that time, Mastura said, the MILF would continue to regard the June 2003 letter from then A/S James Kelly as the standing U.S. policy. The Ambassador offered to convey the sense of her discussion with Mastura to officials in Washington during her travel there this week.

KENNEY